

The Specialty Contractors Committee of the State Licensing Board for Residential and General Contractors met on May 16, 2007 at the Housing Center in Tucker, Georgia, for the purpose of discussing business.

Members Present:

Bob Barnard, Committee Chairman  
Roger Huggins  
Morgan Wheeler

Others present:

Mark Woodall, Associated General Contractors;  
Bettie Sleeth, Home Builders Association of Georgia;  
Penny Round, Greater Atlanta Home Builders

Committee Chairman Bob Barnard established that a quorum was present and called the meeting to order at 9:07 AM.

Chairman Barnard stated that the purpose was to identify specialty contractors and others who will be exempt from contractor licensure.

Discussion began with Mark Woodall going over the pertinent sections of SB115 including definitions, authority and exemptions.

There was agreement that striking "of improvements to real property" and "demolition" in Section 3, Item (4) will be helpful.

Mr. Woodall asked the committee to take a close look at the definition of General Contractor. It is not applicable to just public buildings. He also asked the committee to take a look at the DOT exemption in Section 9 (d). This section does not refer to buildings.

Section 9 (e) is currently law and relates to persons licensed by the State Construction Industry Licensing Board under Chapter 14 of Title 43 of the O.C.G.A. Roger Huggins stated that it is clear that these persons can engage in work directly with an owner where the scope of the work is predominately the type for which he or she is licensed under Chapter 14 AND perform other work which is an incidental and integral part of the project and does not exceed \$10,000 or 25 percent of the total value.

Morgan Wheeler explained how he determines the total value and percentages on current building permits. Several examples were given. Mr. Wheeler suggested that the 25 percent threshold be considered only for contract value, not covered by persons licensed under Chapter 14. Mark Woodall stated that he believes "predominately" means the licensed person holding the contract must be performing 75 percent of the work. Chairman Barnard suggested that we ask the Attorney General for an interpretation.

Roger Huggins stated that the Board must write policy for unlicensed “specialty contractors” identified in Section (f) of the bill by January 1, 2008. Mr. Huggins stated that he did not believe that an unlicensed contractor could hire a licensed general contractor or residential contractor to perform the 25 percent of work outside the scope of work. However, he noted that the scope of work, such as for a pool contractor, may require a licensed plumber or electrician.

Bob Barnard suggested that the Board come up with a general guideline for specialty or limited services contractors.

Roger Huggins strongly recommended that the committee and the Board develop a scope of work for each subcontractor and limited services contractor.

Penny Round gave Mr. Huggins a scoping guide that was developed with the trades for the National Association of Home Builders and Greater Atlanta Home Builders.

Mr. Huggins believes this guide along with the scoping done by architects and engineers for general contractors will clearly identify the trades or “subcontractors” but additional help may be needed with some of the specialty contractors.

Bob Barnard stated that the committee did not have adequate knowledge of these occupations and their scope of work. Mr. Huggins stated that the limited services should provide the committee with the information.

Bob Barnard stated that these guidelines be established by policy rather than by rule because any written document of such will be an ever-changing, “living” document. Mr. Wheeler suggested that the Board needs direction on ensuring that interested parties and the public are made aware of the policy.

The committee decided that they needed additional guidance from the Attorney General’s office for the following questions:

- Example – An electrician holds a \$20 million contract with an owner. Fourteen million dollars of the contract is his electrical work, \$4 million is mechanical trade, and \$2 million is incidental work. Do the licensed trades count as part of the 25 percent scope of work referred to in SB115?
- We know the board is required to post proposed rules for public comment. What are the requirements or obligations of the board with regard to proposed policy of the board?
- When the board writes policy as opposed to rules, is it the responsibility of the board or committee to contact the groups that have asked us if they

should be licensed or not and have dialog about the policy or rule? Or do we post the policy and/or rule and let them come to us for discussion?

- Can a licensed trade in Chapter 14 of Title 43 of the O.C.G.A. hire a General or Residential Contractor if work exceeds 25 percent of their contract? This makes the licensed trade a prime contractor in this case and is that a violation of the law?

The committee agreed that Morgan would make a motion at the next Board meeting but that Bob Barnard would get questions to the Attorney General's office in advance.

With no further business for the committee to discuss, Chairman Barnard adjourned the meeting at 10:45AM.